

VZCZCXYZ0013  
OO RUEHWEB

DE RUEHSO #0541 2830900  
ZNR UUUUU ZZH  
O 090900Z OCT 08  
FM AMCONSUL SAO PAULO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8583  
INFO RHEHNSC/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE  
RUEHBR/AMEMBASSY BRASILIA PRIORITY 9714  
RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 8880  
RUCPDOC/USDOC WASHDC 3184

UNCLAS SAO PAULO 000541

SIPDIS

STATE INR/R/MR; IIP/R/MR; WHA/PD

DEPT PASS USTR

USDOC 4322/MAC/OLAC/JAFEE  
E.O. 12958: N/A  
TAGS: [KMDR](#) [OPRC](#) [OIIP](#) [ETRD](#) [XM](#) [XR](#) [BR](#)  
SUBJECT: GLOBAL ECONOMY; FINANCIAL CRISES

#### Financial War

Editorial in liberal Folha de S. Paulo (10/08) says: "The news on the financial crisis evokes a scenario of a world war, with several fronts spread all over the planet- from Australia to Brazil, from China to Russia, from Germany to the United States..., The multiple combatants, however, show themselves weak and dysfunctional facing a threat that does not respect borders - or even worse, it gains force when there is a lack of a coordinated action to attack it. Discredit in the financial system is global, but the approaches to face it are national, limited and heterogeneous... It would be a waste that one of the most powerful tools of the Fed, the reduction of short term interests, were used without articulation with other countries that are going through the same situation, something that already causes despair. A worldwide and synchronized decrease in the cost of loans would increase the chances that the collapse would be at least stanchured. At this moment, the news that the crisis had reached its limit would already be good news."

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